

Chilli Outlook – May 2020

India is the world's largest producer, consumer and exporter of chillies. India is the world leader in chilli production followed by China, Thailand, Ethiopia and Indonesia. Indian chilli is considered to be world famous for two important commercial qualities of color and pungency levels. Indian chilli is mainly exported to Asian countries like China, Sri Lanka, Malaysia, Bangladesh, Singapore, Thailand, UAE, etc. In India, major chilli producing states are Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Madhya Pradesh.

In Telangana, as on 25th September 2019, an area of 45,028 hectares was reported under chilli as compared to 46,126 hectares in the corresponding period of last year. Among the districts, Khammam stood first with 14,268 ha followed by Mahabubabad (12,113 ha), Gadwal (9,328 ha), Suryapet (4,166 ha) and Warangal (Rural) (2387 ha).

Table 1: Red Chilli Supply and Demand (in lakh tonnes)

Particulars	2016-17	2017-18	2018-19 (Expected)
Opening Stock	3.84	1.87	2.39
Production	10.73	13.76	10.50
Import	0.00	0.00	0.00
Total Supply	14.57	15.63	12.89
Consumption	8.70	8.80	8.50
Exports	4.00	4.44	3.85
Total Demand/Usage	12.70	13.24	12.35
Ending Stock	1.87	2.39	0.54
Average Monthly Consumption	0.73	0.73	0.71
Stock to Month Use	2.58	3.26	0.76
Stock to Consumption Ratio %	14.72	18.05	4.37

Source: www.agriwatch.com

From 1st January to 20th March 2020, red chilli supply in Guntur market reported around 109,495 MT as compared to last year 118,430 MT, down by 7.54% as current year new crop supply reported delayed due to unseasonal rainfall during January.

Table 2: Monthly Red Chilli (Dry) Arrival Scenario

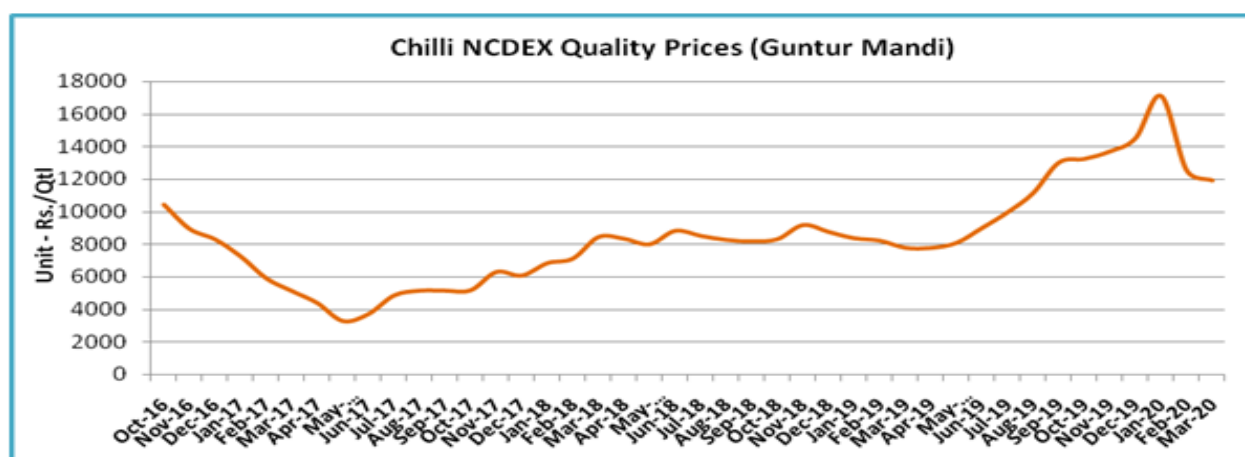
Market	Current Month	Last Month	Previous Year	% Change Over Previous month
	20-Apr	20-Mar	19-Apr	
Guntur (Andhra Pradesh)	Closed	1,270,000	1,080,000	-
Warangal (Telangana)	Closed	592,000	405,000	-
Total	-	1,862,000	1,485,000	-

Units – Bags (1 bag = 45 kgs) Source: www.agriwatch.com

Table 3: RedChilli Spot Prices (Rs/q)

Grade	Centre	30-Apr-2020	20-Mar-2020	30-Apr-2019	% Change Over Previous month
NCDEX Quality	Guntur (A.P.) Benchmark market	Closed	11000	8000	-
LCA 334		Closed	11500	8800	-
Teja		Closed	13500	10000	-
No. 273		Closed	13500	8500	-
No. 5		Closed	15000	9000	-
Fatki		Closed	8000	5500	-
Byadgi		Closed	15500	9000	-
US 341		Closed	15000	9500	-
Teja	Warangal (Telangana)	Closed	12300	11200	-
Wonder Hot		Closed	14500	10500	-
341		Closed	14000	10200	-
DenvorDelux		Closed	15100	9800	-
Paprika		Closed	21000	12000	-
Fatki		Closed	8000	5700	-
No. 12	Bedia (M.P.)	Closed	NA	12500	-
Indu 2070		Closed	NA	12500	-
MICO (Teja)		Closed	NA	12500	-
Jhankar		Closed	13000	12500	-
Teja (Khamam)	New Delhi	Closed	17800	13000	-
LCA 334		Closed	NA	11000	-
Fatki		Closed	NA	6000	-

Source: www.agriwatch.com



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From February 2020 onwards chilli prices in Guntur market reported down due to Corona virus and lower demand from China. China is one of the major buyers of Teja and 334 varieties. Chilli prices in all spot markets had come down due to their inactiveness because of covid 19, In the month of March, average monthly prices reported Rs.11,908/-qtl as against last month price of Rs.12,516/-qtl, i.e., down by 4.86%.

Chilli Price Outlook

Most of the markets reported closed due to pandemic corona virus issue. Chilli exports reported lower (around 60 – 70% from normal level) due to lockdown and lower activity from Mandi to Port level. However, traders are hopeful that government will take some measures in coming days to increase export activity and retain our (India's) clients in international chilli market.

In Andhra Pradesh, Red Chilli harvesting activity was almost completed and farmers are bringing their produce to cold storage on an average daily basis 2,500 – 3,500 bags. In Andhra Pradesh and Telangana, around 540,000 tonnes of chilli was in cold storage.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Chilli is likely to trade in price range between Rs.12,000 – 14,000 per quintal in the month of May 2020.